

1 DEPARTMENT OF COMMERCE AND INSURANCE
2 TENNESSEE BOARD FOR LICENSING CONTRACTORS

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8 TRANSCRIPT OF THE PROCEEDINGS

9 July 22, 2008

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22 Cannon & Stacy
23 Court Reporters
24 117 Arrowhead Drive
 Hendersonville, Tennessee 37075
 (615) 822-9382

25 Reported by: Tracy Foley-Wilkes

1 BOARD MEMBERS PRESENT:

2 Mr. Larry Parks, Chairman
Mr. Earnest M. Owens, Member
3 Mr. Cliff Hunt, Member
Mr. Reese Smith, III, Member
4 Mr. Frank Neal, Member
Mr. Marvin Sandrell, Member
5

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STAFF MEMBERS PRESENT:

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Ms. Beth Tarter, Staff Attorney
8 Ms. Carolyn Lazenby, Executive Director
Ms. Telise Roberts, Assistant Director
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1	TABLE OF CONTENTS	
2		Pages
3	CALL TO ORDER	
4	Roll Call	5
5	Agenda (Review/Adopt)	5
6	Ratification of Hardships	
7	Approved by Executive Director	6
8	May 2008 Trascript (Review/Approve)	6
9	Interviewed/Waived Applicants	
	(Review/Approve)	7 - 14
10	Revisions (Review/Approve)	14 - 15
11	LLE Applicants (Review/Approve)	15 - 20
12	LEGAL REPORT - Beth Tarter, Attorney	
13	Residential Subcommittee	
14	Recommendations (Review/Approve)	20 - 22
15	Commercial Subcommittee	
	Recommendations (Review/Approve)	23
16	Home Improvement Subcommittee	
17	Recommendations (Review/Approve)	23 - 24
18	SCOTT W. TRIPLETT - Information Discussion	
19	Geo-Thermal Heating and Cooling	
	(Public Chapter 792)	28 - 41
20		
21		
22		
23		
24		
25		

1	TABLE OF CONTENTS (continued)	
2		Pages
3	DISCUSSION	
4	Request for Opinion	
	(Bid Alternates and Monetary Limits)	25 - 26
5	General Liability Insurance Exemptions	26 - 27
6	Rule Making Hearing	
7	(Home Improvement Rules)	41 - 48
8	Proposed Legislation 2009	48 - 63
9	Public Education Campaign - Update	63 - 64
10	Travel Budget (FY 08-09)	64
11	ADJOURN	66
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 CHAIR PARKS: All right. I call the
2 meeting of the Contractors Licensing Board to order and
3 begin with a roll call. From my left that will be
4 Ernest Owens.

5 MEMBER OWENS: Here.

6 MEMBER PARKS: Identify yourself for the
7 record, please.

8 MEMBER OWENS: Ernest Owens, Memphis.

9 MEMBER HUNT: Cliff Hunt, Memphis.

10 MEMBER SMITH: Reese Smith, Franklin.

11 CHAIR PARKS: Larry Parks, Chattanooga.

12 MEMBER NEAL: Frank Neal, Nashville.

13 MEMBER SANDRELL: Marvin Sandrell,
14 Columbia.

15 CHAIR PARKS: We rolled since the agenda
16 by e-mail over the last couple of days. Are there any
17 additions or corrections for it?

18 (Pause)

19 CHAIR PARKS: We roll for adoption of the
20 agenda.

21 MEMBER NEAL: So moved.

22 MEMBER SANDRELL: Second.

23 CHAIR PARKS: Any discussion?

24 (Pause)

25 CHAIR PARKS: All in favor, say aye.

1 BOARD MEMBERS: Aye.

2 CHAIR PARKS: All right. A petition for
3 ratifications of hardships by the executive director are
4 in our book. They were also e-mailed and behind Tab 2.
5 Are there any questions on any of those?

6 (Pause)

7 CHAIR PARKS: If not, may I have a motion
8 for adoption.

9 MEMBER NEAL: So moved.

10 CHAIR PARKS: Discussion?

11 (Pause)

12 CHAIR PARKS: All in favor, say aye.

13 BOARD MEMBERS: Aye.

14 CHAIR PARKS: Motion carries.

15 Behind Tab 2, is the ratification --
16 sorry -- is the May 2008 transcript. I'll accept a
17 motion for approval of it as submitted by the court
18 reporter.

19 MEMBER NEAL: So moved.

20 MEMBER SANDRELL: Second.

21 CHAIR PARKS: Discussion?

22 (Pause)

23 CHAIR PARKS: All in favor, say aye.

24 BOARD MEMBERS: Aye.

25 CHAIR PARKS: Thank you.

1 Next tab is number -- behind Tab 3 is the
2 interviewed and waived applicants. And I'm sure we
3 probably have a couple of interview issues from today.

4 MEMBER SANDRELL: I have one.

5 CHAIR PARKS: Okay.

6 MEMBER SANDRELL: Got a gentleman from
7 Spring Hill. I think I talked to you a little bit about
8 this, Larry. He's got two or three felonies. He wants
9 to start a business.

10 He's got a felony with a gun with --
11 maybe his in-laws -- but his girlfriend's
12 ex-boyfriend -- blah, blah, blah -- couple -- shooting
13 going on -- shooting up his car or something like that.
14 He's involved with a gun.

15 And then --

16 CHAIR PARKS: He got his car shot up. He
17 didn't shoot up a car, right?

18 MEMBER SANDRELL: Right.

19 CHAIR PARKS: Yeah. His car was shot up
20 by somebody.

21 MEMBER SANDRELL: And then we got a
22 felony here with cocaine possession with him -- let's
23 see -- I have it here. And he's still on probation, and
24 he has to report in to his -- in Franklin. It's kind
25 of -- it's not major now. It's kind of on a downhill

1 drag. But he still has to report to his probation
2 officer every week -- or two weeks -- something like
3 that.

4 But it was cocaine, that much --

5 CHAIR PARKS: It happened when?

6 MEMBER SANDRELL: 2002. I think.

7 MEMBER HUNT: Possession or --

8 MEMBER SANDRELL: Yes.

9 CHAIR PARKS: I think it just said
10 possession greater than a half of gram.

11 MEMBER SANDRELL: I think -- here we go.
12 Mr. Hicks was placed on probation with the Department on
13 5/18/02 for a period of eight years for the offense of
14 possession of over .5 grams of cocaine with intent to
15 sell, Davidson County Criminal Court -- so, so, so
16 number.

17 Since being placed on probation the
18 subject has complied with all the rules of the
19 probation. He has passed all random drug testing and
20 paid off a \$2,000 fine and costs. And it just goes
21 right on to say his status is on reserve for the most
22 compliant low-risk probationers.

23 Christy Dickey, she's a probation officer
24 in Franklin. He is on probation for eight years. And
25 that's from 2002.

1 MEMBER NEAL: What kind of license is he
2 asking for?

3 MEMBER SANDRELL: He's asking for a
4 certified mechanical contractor's license. He's wanting
5 like \$100,000 -- I believe it was -- limit.

6 CHAIR PARKS: It's GAC, not --

7 MEMBER SANDRELL: The only thing that I
8 even considered or thought about -- and I don't know.
9 May not be nothing to it. Like you said, Larry, you
10 know, if something happened and they didn't pay or they
11 got into it or something, would there be a problem.

12 CHAIR PARKS: We don't really have a --
13 the law allows for someone -- I mean -- with a felony
14 conviction to have to confess it, I guess, and explain
15 it? I don't know. I think we've denied a few
16 electrical in the past because they, too -- this is far
17 enough back and he gave a good explanation for it,
18 but --

19 MEMBER SMITH: But he's still on
20 probation.

21 CHAIR PARKS: He's got two more years of
22 probation.

23 MEMBER HUNT: He's been on probation for
24 six years.

25 CHAIR PARKS: Correct.

1 MEMBER HUNT: And he's not violated. I
2 think I'll make that a motion, if it's appropriate.
3 CHAIR PARKS: Is there a second?
4 MEMBER OWENS: Second.
5 CHAIR PARKS: Any other discussion?
6 (Pause)
7 CHAIR PARKS: All in favor, say aye.
8 BOARD MEMBERS: Aye.
9 CHAIR PARKS: Opposed?
10 MEMBER NEAL: Aye.
11 MEMBER SANDRELL: Aye.
12 CHAIR PARKS: Three to two. Carries.
13 Issue the license, please.
14 Anybody else got any others?
15 Is that your only one, Marvin?
16 MEMBER SANDRELL: That's it.
17 CHAIR PARKS: Okay.
18 Frank, you got a file in your hand?
19 MEMBER NEAL: I got two, Mr. Chairman.
20 The first one is OBR Cooling Towers,
21 Incorporated, out of Toledo, Ohio. They're asking for
22 an S-specialty license -- the cooling towers. And the
23 file is noted that they have bid.
24 I interviewed the qualifying agent this
25 morning. And they have done several jobs in Tennessee

1 with a license limit -- with no license limit -- no
2 license. But all under \$25,000. They were called to do
3 a project in Chattanooga, Tennessee, for Bunge -- is
4 that "oil" or is that "foods"?

5 CHAIR PARKS: It's "edible oil."

6 MEMBER NEAL: Okay.

7 CHAIR PARKS: Bunge Edible Oil is the
8 name of the company, and that's all I know is the name.

9 MEMBER NEAL: Bunge Foods, I think he
10 said, but anyway.

11 And when they called in, the job in
12 question was less than \$25,000, so they proceeded on
13 down to Chattanooga. This being highly specialized work
14 requiring that the operations be shut down to do the
15 work on the cooling towers.

16 So they were in the process of doing the
17 job that they were called down to do, and they
18 discovered additional work that needed to be performed.
19 This additional work put them over their \$25,000 limit.
20 But it was a situation where the owner told them, you
21 got to do it. We can't be shut down for another two
22 weeks. It had already been shut down.

23 So, that being said, as most of you know,
24 we probably -- if the owner had requested a hardship
25 situation and they have turned in their information

1 rapidly, we'd probably issue a license.

2 That being said, that is the reason that
3 they checked that they had bid over -- well, they didn't
4 bid over, but they performed work for more than
5 \$25,000.

6 So it would be my recommendation in this
7 case that we refrain from holding their license and
8 issue their requested S class for cooling towers.

9 MEMBER SMITH: Is this self-reported? We
10 don't have a complaint. They just --

11 MEMBER NEAL: No. That's right.

12 MEMBER SMITH: I second.

13 CHAIR PARKS: Okay. Any discussion or
14 other questions?

15 (Pause)

16 CHAIR PARKS: All in favor, say aye.

17 BOARD MEMBERS: Aye.

18 CHAIR PARKS: Opposed?

19 (Pause)

20 CHAIR PARKS: Thank you.

21 MEMBER NEAL: I have one other, and this
22 involves a situation that I think, Mr. Chairman, you may
23 have looked at this file, but it came to me for me to
24 look at it, also -- Quality Building and Design,
25 Chattanooga, Tennessee.

1 This young man who came in for the
2 interview somehow or another spent 16 or 18 hours at
3 Georgia State Technical Community College in order to
4 get himself a limited residential contractor's license.
5 He was awarded the certificate. And as I asked him,
6 obviously you must not have been paying any attention
7 because the next step was to go ask for this license,
8 which would allow you to build residential only up to
9 \$70,000. He said, yes, probably right.

10 That said, he has performed several
11 contracts -- one, of which, would be legitimate. And
12 that is building a residential property for himself.

13 But he has done a workshop for \$35,290.
14 And then he had another job. When the staff asked him
15 for more information, since he wanted a bigger license
16 limit, he put down that he did a \$48,000 job. And then
17 he put down a \$54,000 job. Then he put down a \$360,000
18 job -- but he says he only did a small portion of that.
19 But that was a commercial job.

20 So, without question, he has violated the
21 licensing law and has operated illegally without a
22 license. So my advice to him was that he would probably
23 be asked to sign a consent order for some fine -- \$500
24 or \$1,000 -- whatever the Board would suggest or
25 allow -- and that his license be held for six months.

1 That being said, we found out about this
2 on April 22nd, so it would be my recommendation that the
3 license holding be from April 22nd for a period of six
4 months, and a \$500 consent order fine.

5 CHAIR PARKS: So that's a motion?

6 MEMBER NEAL: Yes.

7 CHAIR PARKS: Do I have a second?

8 MEMBER SMITH: I second.

9 CHAIR PARKS: Discussions or questions?

10 (Pause)

11 CHAIR PARKS: All in favor, say aye.

12 BOARD MEMBERS: Aye.

13 CHAIR PARKS: Thank you.

14 Any other new applications?

15 (Pause)

16 CHAIR PARKS: All right. Then, may I
17 have a motion of acceptance of the scheduled waived
18 interviews subject to the two -- or three that have been
19 talked about specifically, as listed in our book in Tab
20 3?

21 MEMBER NEAL: So moved.

22 CHAIR PARKS: Can I have a second?

23 MEMBER OWENS: Second.

24 CHAIR PARKS: Any other questions or
25 discussions?

1 (Pause)

2 CHAIR PARKS: All in favor, say aye.

3 BOARD MEMBERS: Aye.

4 CHAIR PARKS: Thank you.

5 Next, behind Tab 4 is the revisions, most
6 of which were done in the past two months.

7 May I have a motion for acceptance of
8 those as listed in the book? Unless someone has
9 questions on any.

10 MEMBER OWENS: So moved.

11 MEMBER HUNT: Second.

12 CHAIR PARKS: Any discussion?

13 (Pause)

14 CHAIR PARKS: All in favor, say aye.

15 MEMBER OWENS: Aye.

16 MEMBER NEAL: Aye.

17 CHAIR PARKS: Thank you.

18 Tab 5, would be the LLE license
19 applications that I saw Cindy had done.

20 May I have a motion for acceptance of
21 those? Unless there's questions.

22 MEMBER HUNT: Before you take a motion,
23 can I go over a couple of them?

24 CHAIR PARKS: Yes.

25 MEMBER HUNT: I'll take the easiest one

1 first. Tullahoma City Schools -- I thought the LLEs
2 were to license individuals, and this is where the
3 school system is applying for a reinstatement, but
4 they're applying for the LLE.

5 MS. LAZENBY: Prior to the law being put
6 in the Fire Marshal's Office, they registered entities,
7 not just electricians. Now we require them to be
8 electricians.

9 What we could do, is have them designate
10 an employee.

11 MEMBER HUNT: Yes. I think they need --
12 that's my opinion.

13 CHAIR PARKS: That's what I've always
14 thought LLE was for, too -- individuals.

15 MS. LAZENBY: Okay. We did tell them
16 that, but they wanted you-all to look at it to see if
17 the school could hold a license, like it used to be.

18 MEMBER HUNT: I'm not for that. I'll
19 defer to the Board.

20 CHAIR PARKS: I don't believe that was
21 LLE either.

22 MEMBER HUNT: All right.

23 The other one is Patrick Lee, the first
24 listed there. He's got a couple of felonies in his past
25 and -- going back to 1992 -- an arson conviction, and

1 then cocaine possession in 2002.

2 His application says he's turned his life
3 around and wants us to give him his license. I tend to
4 say grant the license. I think he's -- the one case
5 goes back 16 years ago, and the other one is six years
6 ago.

7 I'm recommending giving him the license.

8 What I'd like to do, Mr. Chairman, is
9 just -- I'll recommend approval on all of them, except
10 Tullahoma and Patrick Lee. So why don't I make that in
11 the form of a motion for all of them, except for those
12 two.

13 MEMBER SMITH: Second.

14 CHAIR PARKS: Discussions or questions?

15 (Pause)

16 CHAIR PARKS: All in favor, say aye.

17 BOARD MEMBERS: Aye.

18 MEMBER HUNT: I'll make a motion that we
19 do not grant Tullahoma City Schools their license.

20 CHAIR PARKS: Is there a second?

21 MEMBER OWENS: Second.

22 CHAIR PARKS: Discussion?

23 MEMBER NEAL: Only question I would ask
24 is have we not granted licenses to schools before?

25 CHAIR PARKS: Not LLE license.

1 MEMBER NEAL: Oh, excuse me. I
2 understand.

3 MEMBER SMITH: Did they already have a
4 LLE license?

5 MEMBER HUNT: It is a reinstatement.
6 They let it expire.

7 CHAIR PARKS: How did they get one to
8 start with in their name?

9 MS. LAZENBY: The Fire Marshal's Office
10 did it that way.

11 CHAIR PARKS: Okay. Well, our law --

12 MEMBER HUNT: It expired in 2002.

13 CHAIR PARKS: Okay.

14 MEMBER HUNT: This is almost six years
15 down the road.

16 MS. LAZENBY: It transferred over. We
17 could not make them change it back to electrician. We
18 could try that, but our Legal said, no. They've got to
19 keep it until it expires.

20 CHAIR PARKS: Okay. All right. So
21 discussion on that motion?

22 (Pause)

23 CHAIR PARKS: All in favor of Tullahoma
24 City Schools, say aye.

25 BOARD MEMBERS: Aye.

1 MEMBER SMITH: What do they need to do?

2 CHAIR PARKS: Apply in an individual's

3 name.

4 MEMBER HUNT: Or get a full --

5 CHAIR PARKS: CE -- yes.

6 MEMBER HUNT: And the last one is

7 Patrick Lee.

8 I'm recommending approval. Put that in a

9 form of a motion.

10 CHAIR PARKS: Is there a second?

11 MEMBER NEAL: Second.

12 CHAIR PARKS: Any discussion?

13 MEMBER SMITH: Yes. We talked about

14 this, but I've gotten -- I forgot. A limited license is

15 still good for as long as you renew it, or did we limit

16 that to two years?

17 MS. LAZENBY: You're talking about the

18 BCAR?

19 MEMBER SMITH: Yes.

20 MS. LAZENBY: Right now, it's still --

21 the rules have been changed.

22 MEMBER SMITH: Okay.

23 MS. LAZENBY: It's still good until the

24 rules change.

25 MEMBER HUNT: This is a LLE?

1 MEMBER SMITH: Yes.

2 MEMBER HUNT: I'll be glad -- can we
3 issue it just for one year? Make that a condition of
4 approval?

5 MS. LAZENBY: Can we do that?

6 MS. TARTER: Normally, I think it would
7 be two years.

8 MS. LAZENBY: Yes.

9 MS. TARTER: I don't know about how -- I
10 mean, you could always ask for additional information.
11 I mean, what's making you reluctant about it?

12 MEMBER SMITH: He's still on probation
13 today from a felony.

14 MS. TARTER: Okay. I mean, I don't know
15 that you could necessarily limit how long the license is
16 held for. You can either -- like, tell him to apply --

17 MEMBER HUNT: If he signed a consent
18 order and we offer that to him --

19 MS. TARTER: That's an idea. We could
20 probably do it that way.

21 MS. LAZENBY: Yes.

22 MEMBER HUNT: I'll make my motion to make
23 it one year then --

24 MEMBER NEAL: Subject to his signing a
25 consent order?

1 MEMBER HUNT: Correct.

2 MEMBER NEAL: Second.

3 CHAIR PARKS: Further discussion?

4 (Pause)

5 CHAIR PARKS: All in favor, say aye.

6 BOARD MEMBERS: Aye.

7 CHAIR PARKS: Thank you.

8 Legal report. Well, I know residential
9 subcommittee met.

10 MS. TARTER: I actually have the home
11 improvement handouts, too.

12 I'm not sure -- as far as residential and
13 commercial -- you guys just want me to go through the
14 changes and issues that you had or --

15 CHAIR PARKS: If you need to read them
16 into the record, then, yes. If you don't have them
17 noted --

18 MS. TARTER: I think we did it last time.

19 CHAIR PARKS: Most of the Board was
20 present for the committee.

21 MS. TARTER: That's true. Basically, the
22 changes that we had -- actually on number 21, I'd like
23 to defer. That's the one you guys were asking me about.
24 I need to do some additional investigation on that. I
25 think I wrote down all your questions on it.

1 Basically, the contractual
2 relationship -- or if they're doing it without a
3 license -- LLC -- as a developer -- so I was going to
4 look at that.

5 21 is deferred.

6 24 -- had a question on. Basically,
7 these issues went on for two years before they filed a
8 claim. But there's evidence they were trying to let the
9 contractor know about this, so that recommendation was
10 approved.

11 Number 25 we're going to keep open and
12 look into some basic relationship between companies and
13 subsidiaries of companies that were involved in the
14 complaint.

15 Number 30, instead of the letter of
16 warning, we're going to issue a citation for \$250, which
17 is a low amount acknowledging the fact that they had
18 tried to get some information on whether they needed a
19 license prior to obtaining permits.

20 And on 36, we changed the recommendation
21 to a civil penalty of \$7,500. We changed it to \$1,000
22 and a consent order to relinquish their license and
23 removal of their rights.

24 On that -- I think that's -- oh, I'm
25 sorry. And Number 44, we're going to close, but not

1 with a letter of warning, basically, because the
2 Respondent tried to do everything they could to try to
3 make the proper repairs on that. So the warning letter
4 wasn't warranted.

5 CHAIR PARKS: May I have a motion for
6 acceptance of the Residential Subcommittee's actions?

7 MEMBER SMITH: So moved.

8 MEMBER OWENS: Second.

9 CHAIR PARKS: Discussion?

10 MEMBER NEAL: Did you say \$1,000 instead
11 of \$7,500, and a consent order to relinquish his
12 license?

13 MS. TARTER: Yes. And removal of rights.

14 CHAIR PARKS: All in favor, say aye.

15 BOARD MEMBERS: Aye.

16 CHAIR PARKS: And on the commercial one,
17 Frank and I each reviewed -- both reviewed the two. And
18 we agreed with what was written there. So do I have a
19 motion to accept our actions?

20 MEMBER NEAL: Motion to accept the action
21 on the commercial -- item number 58 and 59 -- as
22 indicated in the report.

23 MEMBER HUNT: I'll second the motion.

24 CHAIR PARKS: Okay. Motion seconded in
25 the discussion. All in favor, say aye.

1 BOARD MEMBERS: Aye.

2 CHAIR PARKS: The Home Improvement
3 Commission, have they responded?

4 MS. TARTER: They were supposed to be
5 e-mailing Carolyn.

6 MS. LAZENBY: Yes. I forwarded
7 Pat Mahoney and Pat Williams. I think they were the
8 only two.

9 MS. TARTER: Okay. We've got two of
10 them.

11 CHAIR PARKS: Did they agree with our
12 recommendations?

13 MS. TARTER: I thought they did.
14 Did you see anything different?

15 MS. LAZENBY: I don't have the Blackberry
16 on me, but it just says that Pat Williams was concerned
17 about the felonies and -- but Pat Mahoney said he
18 thought they needed to be given a second chance.

19 MS. TARTER: I think, though, on the
20 applications. Okay.

21 MS. LAZENBY: Okay.

22 CHAIR PARKS: Do we have a motion for
23 acceptance of the Home Improvement Commission report?

24 MEMBER HUNT: So moved.

25 MEMBER OWENS: Second.

1 CHAIR PARKS: Discussion?

2 (Pause)

3 CHAIR PARKS: All in favor, say aye.

4 BOARD MEMBERS: Aye.

5 CHAIR PARKS: I had it right in front of
6 me and overlooked it. Had to go back. And for the
7 record get one increase related to license number 57691,
8 which is on Page 9 of 16 in our book. That has not been
9 granted. There are -- there was a complaint noted on
10 the increase file, which has made me question it. It
11 turned out to be a limit complaint. Beth and I were
12 about to go ahead and issue it anyway, subject to
13 resolution of his money. Then I got the financial
14 statement and there's some real irregularities on that
15 person's financial statements. So I'm going to get with
16 Matthew and have him go back to that and if it gets
17 resolved with our satisfaction, I'll issue it. But,
18 otherwise, it's not being issued, not right now.

19 Next on the agenda is Mr. Triplett. He's
20 here to do a presentation on Geo-Thermal Heating and
21 Cooling.

22 MR. TRIPLETT: Are you ready?

23 CHAIR PARKS: May I have a motion for
24 exception.

25 MEMBER HUNT: So moved.

1 CHAIR PARKS: All in favor, say aye.

2 BOARD MEMBERS: Aye.

3 CHAIR PARKS: Mr. Triplett, if you're not
4 ready, we can go on down the agenda. Let us know when
5 you're ready.

6 Request for opinion bid alternates and
7 monetary limits.

8 MEMBER NEAL: I think the information
9 submitted by the staff answers the question.

10 CHAIR PARKS: It does. We had a
11 situation come up in between board meetings that brought
12 this old attorney general opinion from 1981 -- wasn't
13 it?

14 MS. LAZENBY: Yes.

15 CHAIR PARKS: Which I have never seen.
16 And I know I can remember cases where we've said base
17 bid is what determined the limit. You still couldn't
18 sign a contract if the alternator goes over, but you
19 weren't violating the law outbidding an alternator. If
20 you -- if a bidder qualified -- or whatever.

21 So, that is now what we've done in the
22 past, and what any of us think is moot based on that
23 attorney general's opinion. So we're going to provide
24 information and education and further enforcement.

25 MEMBER HUNT: And I'll say the Board is

1 unanimous.

2 CHAIR PARKS: You're probably right.

3 General liability insurance exemption. I
4 don't think I know about that one.

5 MS. LAZENBY: This is one where we
6 changed requiring from an individual who contacted his
7 state legislature wanting to get the law changed. They
8 called and they had a problem getting general liability
9 insurance because he doesn't work for anybody else,
10 except himself. He does a lot of real property, and the
11 insurance company said that he didn't need general
12 liability insurance because he wasn't going to sue
13 himself.

14 So we wanted to see if this is something
15 we could get a law changed or if you-all would be
16 opposed to a law change, where you can accept general
17 liability insurance, if you do your own work.

18 CHAIR PARKS: He still works with the
19 public.

20 MEMBER NEAL: He obviously has an office
21 or he works out of his house. If anybody comes into his
22 office or house and falls down the steps, slips on the
23 carpet, does anything where they're injured -- then a
24 portion of the liability that they have to file is
25 premises operations. So if he didn't have any, then

1 that person of the public would not be protected. So in
2 my opinion -- I mean, you've got to have it.

3 MS. LAZENBY: You got to have it, okay.

4 CHAIR PARKS: I agree. And if he's got a
5 sole proprietor's license, his homeowners might well
6 provide that for him. I don't know. But I'm not
7 getting into practicing insurance.

8 MEMBER NEAL: It excludes business.

9 CHAIR PARKS: Okay. Okay.

10 MS. LAZENBY: It's something a legislator
11 brought up and asked her for and -- you know, to see if
12 there needs to be a law change. We'll bring it up.

13 CHAIR PARKS: Okay.

14 Are you ready?

15 MR. TRIPLETT: Yes.

16 CHAIR PARKS: Okay.

17 MR. TRIPLETT: Scott Triplett from
18 Geo-Thermal Heating and Cooling here to speak with you
19 today.

20 The reason I called Carolyn last week --
21 I don't know if you-all were aware that there was a
22 recent event added to the contractors law that somehow
23 got annotated to include the requirement that
24 Geo-Thermal Heating and Cooling contractors place their
25 TDEC drilling license number on the outside of the bid

1 envelopes at bid time. And I've heard five years ago
2 that it was a growing industry and that there's going to
3 be a lot of contractors getting into installing
4 alternative systems and -- especially geo-thermal -- and
5 discusses the need to have licensing requirements and
6 monetary guidance in overview of what these contractors
7 were doing.

8 When I saw that new law I called Carolyn
9 and said the Department of Environment and Conservation
10 does require that geo-thermal contractors have some
11 experience and skills in drilling holes and thereby
12 grant you a license. And this is the license number
13 that they want you to include on your contracting bid
14 envelope. But it still has nothing, whatsoever, to do
15 with the purpose of this Board, which is to protect and
16 serve the public and to make sure that the contractors
17 are actually licensed to do the work that they are
18 doing, and that they are responsible.

19 So I will go into much of this -- you can
20 stop me at any point. I did bring a general overview of
21 geo-thermal, if there's interest there.

22 My point in talking with you today is to
23 let you know I think there needs to be some guidance
24 over what these contractors are doing. They're coming
25 out of the woodwork. There's a ton of work going on

1 without the State knowing, and the dollar amounts are
2 extraordinary -- they're swelling as we speak.

3 So the contracts are up to \$23 million,
4 and the persons bidding this work, they are not licensed
5 whatsoever. So, yes, it's important that the Department
6 of Environment and Conservation approves the geo-thermal
7 drillers that they do know what they're doing to drill a
8 hole. And their whole purposes of drilling holes is to
9 protect the ground water and protecting the environment.
10 That's why they license us to do their installations.

11 But coming and installing a workable
12 heating and cooling system, that is -- I think --
13 something the Board should take another look at; and we,
14 as a company, are commercial mechanical contractors, and
15 the other states in which geo-thermal as a heating and
16 cooling -- HVAC discipline -- and they do require that
17 we carry commercial mechanical contractor licenses.

18 So, having said that, again, I don't know
19 the time restraints that you have -- I'll be happy to go
20 through this as a general overview on geo-thermal --
21 what it is and what it is we do in the environment and
22 what regulations are in place and technology that is
23 used to install this, and some discussion. This is a
24 pretty lengthy overview, but I'll do it as quickly as I
25 can.

1 One thing that most people automatically
2 get confused about, they hear "geo-thermal" and they
3 think of generators, electricity, and things of that
4 nature. But what we're actually doing is more -- better
5 classified as "geo-exchange." We're using the ground to
6 heat and cool the building.

7 Basically, we're taking the heat out of
8 the ground in the summertime and circulating it through
9 the pipe and putting it into the ground. And we're
10 doing the reverse in the wintertime. We're taking the
11 heat out of the ground and putting it back into the
12 building.

13 How this all works is solar energy that
14 is stored in the Earth. If you're wearing a black shirt
15 and you have a coat on -- on a cold winter day -- you're
16 still pretty warm when you're standing in the sun.
17 Well, the Earth works the same way. The energy from the
18 solar -- the sun -- is stored in the ground, and
19 depending on where you are in the United States you go
20 down about 10 feet and the temperature is consistent.

21 Here in Nashville the ground temperature
22 is about 59 degrees year round, no matter what the
23 outside air temperature is. Once you know that, you can
24 utilize that to store energy to heat and cool buildings.

25 In order to do that you need three

1 things: You need Earth connection, you need heat pump
2 or mechanical system, and you need a distribution
3 system. And when we talk about the disciplines, the
4 drilling portion is what we're going into. But there's
5 three different ways you can do it.

6 There's a vertical where you drill and
7 stick a loop down in the ground and insert it into the
8 Earth, and it's all tied together. Depending on the
9 size of the building, that dictates how many feet of
10 pipe you need in the ground to heat that building.

11 You can also use horizontal. If you have
12 a lot of land, you can actually trench these out and put
13 these loops down horizontally.

14 Then if you have a lake adjacent or close
15 by, it's like stealing. It's a very efficient way to
16 transfer heat.

17 Instead of having your outside unit in an
18 attic or broiler configuration, basically, you have a
19 water source heat pump. It has an evaporator. It has a
20 heat exchanger and a fan. The only difference is that
21 instead using the outside air and heating it up in the
22 winter or cooling it down in the summer, we're using the
23 Earth. And that water from the Earth is circulating
24 through this evaporator coral. And it's actually
25 jacketed -- this is a refrigerant line jacketed by the

1 water that is circulating through the Earth.

2 So, basically, we're putting heat into
3 that water in the summertime, and it's going back down
4 circulating through the Earth. And that heat gets
5 dissipated into the ground. When it comes back up, it's
6 at starting temperature or decline temperature.

7 And the reverse happens in the
8 wintertime. You're taking that warm air and you're
9 heating up the refrigerant, so that the compressor
10 doesn't have to work as hard to provide heat.

11 MEMBER SANDRELL: What kind of payback do
12 you figure on this?

13 MR. TRIPLETT: It's all over the board.
14 But right now, we're seeing about 70 percent more
15 efficient than a conventional system.

16 MEMBER SANDRELL: 7 percent?

17 MR. TRIPLETT: 70.

18 MEMBER SANDRELL: 70?

19 MR. TRIPLETT: Right. If you look at
20 your normal electrical bill and say it's \$100, 80
21 percent of that is the heating and cooling portion. We
22 can save 70 percent of that portion. And that's a
23 seasonal rating. These are efficiency ratings.

24 But there is no season because we're
25 using a constant temperature. If you were to compare a

1 sewer that's normally up in the 30s and 40s,
2 sometimes -- it's not apples and apples. It's apples
3 and oranges when you're talking about sewers. I mean,
4 the lowest water source heat pump you're ever going to
5 get is the equivalent of about 27 -- 28. So they're
6 very very --

7 MEMBER SANDRELL: How much more expense,
8 say, to put it --

9 MR. TRIPLETT: The -- this -- to compare
10 conventional high would be 18, which is in the middle of
11 the line. The equipment, itself, with all the controls
12 and your duct work and the heat pump versus the furnace
13 and -- they call it a wash. It all costs about the
14 same.

15 Your investment is out here in the field.
16 When you're installing -- this is about a 20 percent
17 premium over mechanical cost. So if you got a million
18 dollar job, it's going to cost you another \$200,000 to
19 put this out there. But the rates we're saving -- the
20 paybacks are five to seven years. And they're getting
21 lower as fossil fuel prices go up.

22 Portland schools, they installed this,
23 and have conventional and geo-thermal, and their
24 operating cost per square foot went down by about a buck
25 30 -- 42 cents per square foot for their heating and

1 cooling portions.

2 So you have the heat pump. And this,
3 obviously, is a mechanical discipline, and installing
4 the heat pump.

5 Mainly what's happening with the
6 geo-thermal contractors, like ourselves, is we go and
7 drill the wells; we install the wells; we grout the
8 wells; and we install the mechanical headers and the
9 flow valves that control the flow of this water.

10 You have distribution systems. So you
11 have your ground loops -- horizontal or vertical. You
12 have your heat pumps -- and this is called a centralized
13 system where you're taking this water and you're
14 circulating it into individual heat pumps within the
15 building -- like a typical school building or hotel or
16 nursing home or something of that where you have
17 individual units and individual climate controls. This
18 water here is then carried through this heat pump, and
19 then that heat is dissipated back through the Earth.

20 What -- part of this geo-thermal
21 contracting that most of the contractors are doing now,
22 they're doing drilling, grouting, piping. They bring
23 the pipe into the mechanical header or a manifold
24 there -- and things of that nature. I'll show you a
25 picture of that.

1 This is a part of the building that we're
2 talking about (indicating). This part out of the
3 building -- this part into the building (indicating) --
4 your CMCs are doing 99 percent of that work.

5 CHAIR PARKS: Okay. I'm going to stop
6 you right there. Unless there's -- I really -- I mean,
7 I learned a lot about what it means in this short time
8 you've done that. And your point is you want to see us
9 regulate or create a license class, I guess, for the
10 geo-thermal system outside the building.

11 MR. TRIPLETT: Yes.

12 CHAIR PARKS: Basically, inside the
13 building is what our mechanical contractor already does.
14 It's just a different source of the energy for heating
15 or cooling -- either one.

16 MR. TRIPLETT: That's right. And to put
17 a finer point on it --

18 CHAIR PARKS: We cannot, as a board, sit
19 here and do that. That takes a rulemaking hearing. But
20 we can decide we need to do a rule on it and then add it
21 as a class.

22 MR. TRIPLETT: Right. And I guess the
23 thing to keep in mind is, it is a very specialized
24 industry -- this is a heating and cooling and that
25 requires someone that is very knowledgeable about how

1 heating and cooling works and the fact that it is a
2 mechanical system and we are having to regulate --
3 control the transfer and the flow of water and it's not
4 just drilling a hole in the ground.

5 CHAIR PARKS: Should there be testing
6 involved, in your opinion, before someone gets a
7 license?

8 MR. TRIPLETT: They should have a working
9 knowledge of what a heating and cooling system --

10 CHAIR PARKS: Are some of the states
11 testing now for the class that they're -- have come up
12 with or --

13 MR. TRIPLETT: Yes. I mean, the -- they
14 all fall under commercial mechanical. The State does a
15 very good job in the licensing requirements for the
16 drillers, and there is a lot of education and testing
17 that you have to do in order to achieve your TDEC
18 license.

19 There's also some other disciplines out
20 there that the Board can look to that are minimal
21 requirements -- the AACE and other associations that you
22 have to achieve those accreditations before you can move
23 to get your license.

24 CHAIR PARKS: Okay.

25 MR. TRIPLETT: There's a lot out there

1 for that.

2 CHAIR PARKS: All right. Thank you.

3 MR. TRIPLETT: Thank you for your time.

4 CHAIR PARKS: I think we'll consider it
5 whenever we get into rulemaking. We'll certainly --
6 I'll allow you to take the lead on this.

7 Does anybody have any questions for
8 Mr. Triplett?

9 MEMBER HUNT: Already the law requires
10 the TDEC license number to be on your envelope, right?

11 MR. TRIPLETT: Right.

12 MEMBER HUNT: And our law requires the
13 contractor's license to be on the envelope.

14 MR. TRIPLETT: That's another question I
15 have and need clarification on because the
16 thought-process out there in the industry -- everybody's
17 saying if you bid under a mechanical or a general
18 contractor you are not required to have a license, even
19 if it's over \$25,000 -- in Tennessee. Unless you bid
20 directly to the owners.

21 MEMBER HUNT: That's incorrect -- whether
22 it's geo-thermal or conventional --

23 CHAIR PARKS: If it's mechanical, I
24 think you're right.

25 MEMBER NEAL: Yes.

1 CHAIR PARKS: Each septic tank system
2 is -- does not -- which is outside the building -- does
3 not, by law, require a license, if they're working for a
4 contractor. So I get that -- I think that's what he's
5 saying is the issue. You know, do we, as a board,
6 decide that the person who's installing the stuff up to
7 the building -- to this manifold -- do they have to have
8 a contractor's license bid -- a CMC -- something,
9 without -- I mean -- and, therefore, be listed or not
10 listed -- doesn't matter?

11 Under the law that says mechanical,
12 plumbing, electrical have to be licensed. Are we saying
13 the welder has to be licensed under that portion of the
14 law as long as it's over \$25,000, regardless of who
15 they're doing it for?

16 MR. TRIPLETT: That's well --

17 CHAIR PARKS: And that will require a
18 rule, I think.

19 MR. TRIPLETT: What it takes to put units
20 with multidiscipline -- and the welder is one small
21 part.

22 MEMBER HUNT: How does this differ from
23 the water site contractor to do under his HRA or MU
24 license to run water to the meter?

25 CHAIR PARKS: That's right.

1 MEMBER HUNT: Then the plumber has to
2 take it from there? We don't require --

3 CHAIR PARKS: It's the same thing, you
4 know, I think we're saying the same thing.

5 MR. TRIPLETT: Yes, we are.

6 MEMBER HUNT: My question is, is that our
7 invitation, to want to add a class?

8 CHAIR PARKS: I don't know.

9 MR. TRIPLETT: Or maybe a clarification
10 that the person that's bidding these jobs at least be a
11 licensed contractor, that you have reviewed their fiscal
12 responsibility and that they're bidding billion dollar
13 jobs without a license --

14 MEMBER NEAL: Are you saying below ground
15 is \$2 million? Or is that all inclusive of the
16 mechanical portion inside of the building?

17 MR. TRIPLETT: That's from the manifold
18 all the way up to drilling, looping, all the digging,
19 putting all the valves, manifolds -- that whole portion
20 of work is huge. The drilling is about a quarter of a
21 third of that whole package -- the bidding -- the whole
22 outside mechanical system is --

23 CHAIR PARKS: I mean, it depends on
24 whether it's going on a house or a multi-story hotel,
25 obviously.

1 MEMBER SANDRELL: Larry, it's kind of
2 like a contractor when he drains out whatever water out
3 of the building and from there on I think the rule is
4 you've got to have a license. But I think we ought to
5 look into that.

6 MR. TRIPLETT: And they're making you put
7 your TDEC license on the envelope. What they should be
8 making you do is put your mechanical contractor license
9 on the envelope because your electrical, mechanical --
10 and along with general -- have to list. And they have
11 to list their monetary limits. And we're not even
12 required to do that right now.

13 So the issue -- Mr. Parks, I think has it
14 right, it should either be some special CMC license or
15 derivative thereof, as long as it shows a responsible
16 contractor --

17 MEMBER HUNT: I'm not sure I agree with
18 that. I think we may be covered under the existing law.

19 MR. TRIPLETT: Okay. Thank you for your
20 time. Do you have copies of this?

21 CHAIR PARKS: We have them in our books
22 already. And that was e-mailed to us yesterday.

23 Okay. Rulemaking hearing on Home
24 Improvement rules.

25 MS. LAZENBY: So I did email this to the

1 Home Improvement members, and Pat Mahoney was the only
2 one I got a response from.

3 MS. TARTER: These are basically -- well,
4 what I did -- and Carolyn helped -- was I literally read
5 through the thing and translated exactly what the Home
6 Improvement Committee had -- but to operate them with a
7 new law and new citation. And now, contract board. But
8 the new law actually allows for different fees.

9 So these fees are different. But it's
10 still according to what the law is, as far as increase,
11 you know. Basically, the fees for the initial
12 application, removal, and I think -- it looks like we
13 added on a nonrefundable application fee in the revision
14 application fee.

15 MS. LAZENBY: We wanted to make it like
16 contractors. The whole thing is nonrefundable.

17 I did notice that the Home Improvement
18 part of it is nonrefundable -- or make the whole thing
19 nonrefundable.

20 CHAIR PARKS: You mean, if they don't get
21 issued a license, we don't refund. This would say that
22 it would be refunded?

23 MS. LAZENBY: Yes.

24 CHAIR PARKS: Or part of it would.

25 MS. LAZENBY: Yes. Part of it would.

1 MS. TARTER: I just want to point out
2 what it used to be in the law and whatever kind of
3 changes and things might have been put in there.
4 Carolyn, I trust her to know what issues are coming up
5 with Home Improvement members right now. So I think she
6 kind of took that into consideration. And then,
7 basically, we have the rulemaking hearing for the
8 September meeting.

9 CHAIR PARKS: That's when you read all
10 this into the record.

11 MS. TARTER: Right.

12 CHAIR PARKS: So we can be reviewing this
13 and enter them. We should review them between now and
14 then. And you'll also get feedback from the Home
15 Improvement Commission?

16 MS. TARTER: Right. I have to submit a
17 request for approval for rulemaking like two months
18 prior to the rulemaking. So I have to submit to them
19 what rules we expect to be promulgating by the end of
20 the month. And I've already told five or six people.
21 So, like, I already put it into the works. But I told
22 them that I wanted you guys to look at this.

23 CHAIR PARKS: Do we need to approve this
24 today?

25 MS. TARTER: Based on these, if you

1 guys -- if you want to hash out any changes, I just want
2 to let you know which parts we're changing. I can kind
3 of -- we can talk about it -- or, you know, that's
4 basically what I -- I basically translated what they had
5 before.

6 CHAIR PARKS: Okay.

7 MS. TARTER: So I'm not sure how much we
8 can change them at the rulemaking based on notice of the
9 Commissioner.

10 CHAIR PARKS: Yes.

11 MS. LAZENBY: The only thing that isn't
12 really clear is the temporary license. When would we
13 ever need a temporary home improvement license? It's in
14 the law, but we don't have any rules to say issue a
15 temporary license. That's the main thing.

16 And then there's -- also I want the rule
17 to say "may" on financial statements. The law allows us
18 to, and I -- where you-all could require it, if it come
19 up. If we had complaints, you know, contractors quit
20 paying their bills or had judgment liens, that you can
21 ask for --

22 MEMBER HUNT: Are you talking about on
23 Page 4?

24 MS. LAZENBY: Yes.

25 MEMBER HUNT: That one says --

1 MS. TARTER: Those are changes that she
2 made.

3 MEMBER HUNT: Okay.

4 MS. TARTER: I think the original said it
5 "shall" include.

6 CHAIR PARKS: Any other changes?

7 MS. LAZENBY: The only other thing I
8 added was I actually listed the counties that had
9 already adopted it. It clarified what a county needed
10 to do to adopt it.

11 There's been a lot of misunderstandings
12 from some of the counties. They think they can go ahead
13 and make it apply to their county.

14 CHAIR PARKS: Yeah, I never knew how it
15 got enacted in the county. I'm glad to see that.

16 Any other questions on this?

17 MEMBER HUNT: Back to the fees. Do they
18 differ from the regular contractor fees?

19 CHAIR PARKS: Only under the refundable
20 applications fee, I think is what I heard Carolyn say.

21 MS. TARTER: Yes. The only things that
22 are different from what HIC originally had listed was
23 number 4 and number 5.

24 MS. LAZENBY: I wanted some kind of -- do
25 a name change for Home Improvement. We've never had

1 anything in place. They've always just did a new
2 application and went in and changed their name.

3 MEMBER HUNT: Where I'm heading is, if we
4 could make them the same?

5 MS. LAZENBY: Make the --

6 MEMBER HUNT: Make the fee schedule the
7 same for contractors and home improvement contractors.

8 MS. LAZENBY: Okay. Well --

9 CHAIR PARKS: Would you just strike
10 number 4 completely? Right?

11 MEMBER HUNT: What I would do is, say for
12 6(a)-6-.01, say see 6(a)-1-.20. And that way we only
13 have one place to look up fees.

14 MS. LAZENBY: So on -- okay -- revision,
15 we wouldn't have a charge right now. We don't charge
16 for contractors. To leave it without a fee --

17 MEMBER HUNT: You know, if home
18 improvement needs one, we need one for the contractors.

19 MS. LAZENBY: Yes.

20 MEMBER HUNT: So --

21 CHAIR PARKS: I'm -- I'd like to see
22 consistency as well.

23 MS. LAZENBY: That does make sense. A
24 fee would help us track it more than anything.

25 CHAIR PARKS: All right.

1 MS. LAZENBY: And that will have the
2 initial fee, removal fee, would be the same as
3 contractors. The late fee, I think, the late fee is in
4 the law, so we can't change it yet. A duplicate in the
5 law, so take out (4) and (5).

6 MEMBER HUNT: Well, my point of view, for
7 that one page in the rules, that said that is what the
8 fees are. But I know we can't do that because of the
9 way the rules are written.

10 MS. LAZENBY: Yes.

11 MS. TARTER: Yes.

12 CHAIR PARKS: List it separately, but
13 make the listing match. Make them the same.

14 MS. TARTER: I think the problem is
15 because home improvement law is a separate chapter, as
16 part of the contractor's law, and melded it as LLE or
17 something like that.

18 MS. LAZENBY: LLE is merged with it.

19 MS. TARTER: So since they're under a
20 separate chapter, I don't see anything wrong with --
21 under "fees" saying, see --

22 CHAIR PARKS: The fees would be the same
23 as civil contractor.

24 MS. TARTER: Right. I mean, we could do
25 it that way. They're exactly the same anyway.

1 MEMBER HUNT: Okay.

2 CHAIR PARKS: Okay. So you need a motion
3 from us to follow up with a rulemaking?

4 MS. TARTER: Right.

5 MEMBER HUNT: So moved.

6 CHAIR PARKS: Second?

7 MEMBER NEAL: Second.

8 CHAIR PARKS: Discussion?

9 (Pause)

10 CHAIR PARKS: All in favor, say aye.

11 BOARD MEMBERS: Aye.

12 CHAIR PARKS: Thank you. Tab Number 10
13 has some proposed legislation. It was also e-mailed to
14 us.

15 MS. LAZENBY: This is more like a wish
16 list that will help us. The ones that are on Page 1 and
17 2. Then the one on the other pages passed for
18 discussions.

19 One thing I did leave out was, we need a
20 rule or law that says the contractor must contract in a
21 name as licensed. That would save us a lot of
22 headaches. I have to do a lot of depositions on that
23 one issue, so if we couldn't have a rule or law that
24 said that.

25 MEMBER NEAL: Do we allow trading as or

1 DBAs or any other names now? Other than the name that's
2 on the license?

3 MS. LAZENBY: No.

4 MEMBER NEAL: So if someone bids in a
5 trading as style and their license is not in that name,
6 then they're in violation, right?

7 MS. LAZENBY: Right. We say they're not
8 licensed.

9 MEMBER NEAL: But that's not a rule or
10 law now?

11 MS. LAZENBY: No.

12 CHAIR PARKS: It's always been done that
13 way. The Secretary of State's office allows for DBAs or
14 adding on -- they call it something else, I think.

15 MS. LAZENBY: As long as there's a
16 license with the DBA on it, that's fine, but this is
17 when they get them in one name and they contract and
18 operate in another name.

19 MEMBER NEAL: And if the contract is in
20 another name, it's not licensed. I thought that was
21 against our rule or law -- or something. But you're
22 saying it's not?

23 MS. LAZENBY: There's nothing that spells
24 it out.

25 MS. TARTER: I think you can usually

1 treat it as misrepresentation under that catch-all.
2 They have a duty to notify whoever they're contracting
3 with the name of their license, so that member of the
4 public can look up their license number and check them
5 out and things like that. But there's nothing that
6 specifically states that.

7 MEMBER NEAL: The only one I've ever seen
8 is the same one Larry says. The Secretary of State will
9 give them a charter that -- but that really shouldn't
10 have any bearing on our license.

11 CHAIR PARKS: Doesn't have to.

12 MEMBER NEAL: If that's our rule --

13 MS. TARTER: But I think it would be
14 great to have a rule on it. And I don't know if it's
15 too late to add it to the rulemaking in September, but
16 if you guys want to come up with a plan, I can certainly
17 do my best to get signature on it to be approved to have
18 the ruling as part of the rulemaking in September. If
19 you guys agree to it.

20 MEMBER NEAL: Well, we'll either need it
21 as a rule or a law -- one or the other. If that's what
22 we're going to do.

23 MS. TARTER: Okay. I think you have the
24 discretion to make it as a rule.

25 MEMBER NEAL: Well, we can make it as a

1 rule. Then why don't we make it as a rule?

2 CHAIR PARKS: I agree.

3 MEMBER NEAL: Because next thing you know
4 we'll have someone that's been charged with entering
5 into a contract and a license -- I mean, as a
6 non-licensed holder, and they'll say, oh, I got one over
7 here, but you entered in a contract over here.

8 CHAIR PARKS: But I always thought it was
9 a law. I've heard it as long as I've been involved, you
10 know, you've got to sign the contract in the name you're
11 licensed in. I believe we've penalized many a
12 contractor.

13 MS. LAZENBY: Basically, we've told them.
14 You know, a lot of people just assume that because they
15 took the test, they have the license. So John Jones
16 will sign a contract as John Jones, but he's licensed as
17 a corporation -- or whatever. But, you know -- but when
18 they call, they'll ask us if John Jones is licensed, and
19 we say no because we don't see it that way.

20 But unless it's a law that says that --
21 the closest thing that spells it out is, I guess, the
22 bidding law, where it says list -- it doesn't really say
23 list companies, but it says list principal name. But it
24 doesn't say as licensed on the outside.

25 MS. TARTER: I do know it'll clear up.

1 MS. LAZENBY: Yeah, we've had so many --
2 and so many depositions. But that's the main question
3 they ask, where in the law does it say you cannot
4 contract in the name other than what is on the license.

5 MS. TARTER: Like Larry said, part of the
6 problem is the Secretary of State allows DBAs.

7 CHAIR PARKS: They've got multiple DBAs.
8 And I've never seen more than one. And it'll be on the
9 financial statement -- John Jones doing business as
10 Jones' Plumbing.

11 MS. LAZENBY: Licenses like that -- it
12 matches Secretary of State's financial statements.

13 CHAIR PARKS: If we can come up with
14 language to get it in the rulemaking, that would be
15 great.

16 MS. LAZENBY: I think some other states
17 have it.

18 MS. TARTER: I was just thinking -- I
19 mean, like you're in violation of -- basically, you have
20 to contract in the name in which you have been granted a
21 license from. Like I said, there's a rulemaking hearing
22 in September. I know I want to try to squeeze that on
23 there, if I can get it approved.

24 CHAIR PARKS: Okay.

25 MS. LAZENBY: And another thing we need a

1 rule or a law for is to do a name change. We don't have
2 that for contractors.

3 CHAIR PARKS: We don't form for it. And
4 we use the form, but it's not really addressed in the
5 rules what they have to do.

6 MS. LAZENBY: Right. So we need to get
7 that fixed.

8 CHAIR PARKS: Okay.

9 MS. LAZENBY: And citation -- citation is
10 a formal hearing and you have to do some kind of
11 separate law for this.

12 Another law that we need is charge for
13 copies. We can't charge for copies. And I thought the
14 best way to do it is -- because we get flooded with
15 requests, you know, can you copy this file for me --
16 since there's not a fee, anybody can come in and get
17 anything whether they need it or not. Having a fee
18 would help, you know, pay for paper and the staff's
19 time. It uses the staff's time up.

20 MEMBER HUNT: What do other boards do?

21 MS. TARTER: Home Improvement allows for
22 a fee, but I think statute actually --

23 MS. LAZENBY: The law allows pay --
24 what -- \$2 a page?

25 MS. TARTER: Yes. I mean, my argument

1 would be if Home Improvement can do it, why not the
2 Contractor's Board?

3 MS. LAZENBY: I was thinking more of a --
4 maybe a flat rate fee for a file almost. Like we'll get
5 some requests where they want you to literally go
6 through each file and look for things for them. So if
7 you could charge a fee -- a flat rate for each file.

8 MEMBER NEAL: I suggest \$100,000.

9 (Laughter)

10 CHAIR PARKS: So \$50 to copy a file, for
11 example, is what you're suggesting?

12 MS. LAZENBY: It doesn't have to be that
13 much -- \$5, \$10 -- just something.

14 CHAIR PARKS: Well, if you're talking
15 about covering the costs of the staff's time, and, you
16 know, all involved, \$50 is probably pretty cheap. You
17 still got the financial information is protected, so
18 somebody just can't walk to the machine and press a
19 button. You've still got to go through it and take out
20 anything related to finances and then copy everything
21 else.

22 MS. LAZENBY: Yes. And it takes up a lot
23 of time because we can't give them the copy and let them
24 copy it. We got to sit there and pull it out and then
25 re-copy the ones with Social Security numbers and white

1 that out. It does take a lot of time. But it's
2 something we do, and there's not a fee for it.

3 MEMBER HUNT: I think \$25 would be
4 plenty, myself.

5 MEMBER SMITH: What did you say?

6 MEMBER HUNT: \$25 would be admissible.

7 MEMBER SMITH: Did you folks start
8 taking --

9 MS. LAZENBY: Right now we --

10 CHAIR PARKS: Have to go to the other
11 building to the cashier, wear a mask and everything
12 else, I guess.

13 MS. LAENBY: They would still pay the
14 cashier.

15 Most of the time in Home Improvement they
16 mail it. They'll request in writing to have a file they
17 want and they'll send a check with it.

18 MEMBER SMITH: So is that a rule or is
19 that a motion?

20 MS. TARTER: I think it would have to be
21 at least a law granting you the ability to charge. It
22 probably remained in the statute for Home Improvement,
23 but didn't carry -- I mean, I would think that's a real
24 good excuse that it should carry over to the
25 Contractor's Board now.

1 MS. LAZENBY: For years when I first came
2 to a station it was just a given, you charged everybody.
3 Everybody had to pay 25 cents a page up until the last
4 couple of years. And they found out you needed
5 authorization to give you that and you could not charge.
6 Unless your law says you could.

7 So I think other agencies do have laws.

8 MEMBER HUNT: So it would be a two-step
9 process -- get the law changed and allow the rule?

10 MS. LAZENBY: Right.

11 MS. TARTER: I mean, I would say the home
12 improvement law, specifically, talked about pages -- we
13 could ask in our wish list for it to talk about
14 reasonable time and expense for copying and reviewing.

15 MS. LAZENBY: Yes. It's more having to
16 review, paying for time to review a file.

17 CHAIR PARKS: So you're putting that on
18 the wish list for legislation. What else, Carolyn?

19 MS. LAZENBY: Let's see, there was
20 something we talked about earlier about the power plants
21 and the process piping. Is that a rule you might want
22 to change -- to come up with some way to know when
23 process piping needs an exam? I mean, it doesn't come
24 up very often.

25 CHAIR PARKS: That's heavy construction.

1 You know, that someone can build a power plant without
2 having ever taken any kind of trade exam.

3 MS. LAZENBY: Right.

4 CHAIR PARKS: They can build an oil
5 refinery, a marine terminal -- that's always bothered
6 me. But, you know, that was an untested area, and it
7 ought to be industrial, at a minimum.

8 MEMBER SANDRELL: Off the beaten path
9 about plumbing. Like a plumber, for instance, I looked
10 at the job when we were doing some work. The guy put in
11 a septic tank. Okay. Afterwards it wasn't draining.
12 The plumber goes back and digs it up. And the pipe
13 coming from the house to the septic -- and it's running
14 in sewage about 3 foot.

15 We need something -- inspections or be
16 licensed.

17 MEMBER HUNT: But where do we stand on
18 redoing the classifications?

19 MS. TARTER: I'm sorry?

20 CHAIR PARKS: Where do we stand on
21 redoing the classifications. You know, that was a rule
22 that got started five years ago, probably.

23 MS. TARTER: I mean, I can certainly run
24 it by my chief counsel as far as the rule issuance that
25 I think we had that we can start doing. We haven't done

1 it yet, so --

2 CHAIR PARKS: I'd like to see us move
3 forward and clean up a lot of this stuff and do probably
4 just one big rulemaking session. To do a whole lot of
5 it.

6 MS. TARTER: I need to pull the
7 classifications out again, but I can, essentially, pull
8 it out and e-mail it around to you guys to see if
9 there's any changes from the last few years when we
10 looked at it or not.

11 CHAIR PARKS: Let's do that.

12 MEMBER HUNT: You know, legally, can we
13 require a test in some areas and not others? Where does
14 it say that CMCA has to be tested and CMCB does not?

15 MS. LAZENBY: It's not in the rules.

16 MEMBER HUNT: It's not. You really need
17 classification redone, and then part of the rules is
18 that CMCA needs a test -- you know, goes through each
19 test. There's no easy way to look it up and determine
20 whether something is tested or not.

21 MEMBER SANDRELL: And, you know, one
22 other thing -- and I'll shut up if you want after this.
23 Like a year -- couple of times ago -- couple of meetings
24 ago I interviewed an electrician from Alabama -- and I
25 think maybe you remember me saying a little something

1 about this. But he come up and he started talking,
2 well, I want a CE license in Tennessee. Okay.

3 Well, I got to thinking -- I go to
4 Alabama some for different things. Alabama doesn't even
5 require you -- unless you're in like a big city like
6 Huntsville or somewhere like that -- to have an
7 electrical license. You can just -- you can build a
8 house in Alabama. And say, Florence, you build a house,
9 call the power system and tell them you're ready to put
10 the meter out there, and they'll come.

11 So this guy was wanting a CE license,
12 like Alabama reciprocates with Tennessee. And, you
13 know, I asked him -- I said, "Have you ever -- you got a
14 license?" And he said, "No, you don't have to have
15 one." I said, "Well, you know, then you aren't going to
16 get one in Tennessee unless you pass our test."

17 Was I wrong doing that?

18 MEMBER HUNT: Not the way you described
19 it, I don't think so.

20 MEMBER SANDRELL: I seen a lot of that's
21 been happening.

22 MS. LAZENBY: I thought Alabama licensing
23 board did have a test. They have a --

24 MEMBER SANDRELL: Not unless you're in
25 Huntsville or a big -- a metro city like that.

1 I asked him. And he said I never had to
2 take the test before.

3 CHAIR PARKS: You know, in all honesty,
4 14 years ago we had a rulemaking hearing and it was set
5 aside -- two or three days in Nashville, and in a room
6 that would hold eight people -- and we had about 12.
7 And we went through the whole law and came up with this
8 long list. And we had some kind of hearings, you know,
9 I --

10 MEMBER HUNT: Study by the legislation.

11 CHAIR PARKS: Maybe that's what it was.
12 And I was new to the board, so I don't know what I was
13 doing, other than I was a part of it. And that enacted
14 or effected some changes that we're still operating
15 under today.

16 MS. LAZENBY: There, I think --

17 MEMBER NEAL: It says Contractor's Board
18 for licensing law rule changes suggested in prior years.

19 MS. LAZENBY: What happened to it?

20 CHAIR PARKS: It's done by us and given
21 to the Department, and the Department decides what
22 they're going to do with it. Apparently, it isn't a
23 lot.

24 MS. TARTER: I'm trying to get one
25 through the -- I really think the fees for charging for

1 copies will be an easy one to get through because Home
2 Improvement already has it.

3 CHAIR PARKS: And I would bet other
4 boards do, too.

5 MS. TARTER: I'm sure they do.

6 MS. LAZENBY: Also the one where we have
7 to eat -- meet in each grand division. Do you-all want
8 to get rid of it? That way we can meet in Nashville, so
9 we don't have to go to Memphis or Knoxville?

10 MEMBER SANDRELL: Well, considering the
11 financial conditions of the State and the budget, it
12 looks like those are just --

13 MS. LAZENBY: But that might be something
14 the Department will present -- do you-all --

15 MEMBER HUNT: -- go up the legislative
16 chain. I'm not sure.

17 MEMBER SANDRELL: Yes, it's the law.

18 MEMBER HUNT: I'm not sure the
19 Legislature will go along with it.

20 MS. LAZENBY: That's probably true.
21 Because they probably like the idea of meeting in each
22 grand division.

23 MS. TARTER: What do you want to do?

24 CHAIR PARKS: I mean, it's on our list.
25 If the Department wants to pursue it, they can.

1 MS. LAZENBY: Every time we ask to meet
2 in another city it's awful. It's -- we have to justify
3 it and justify it, and we keep telling them it's the
4 law. We have to go to Memphis. We have to go to
5 Knoxville, so --

6 CHAIR PARKS: All right. Anything else
7 on your list?

8 MEMBER HUNT: Mr. Chairman, any other
9 items?

10 CHAIR PARKS: From the law -- yes.

11 MEMBER HUNT: Part of the statute that
12 requires the six-month hold on a license for license
13 activity, I would like to see that changed where we may
14 impose a penalty of a six-month hold on the cases where
15 I feel like we're going to have some leeway on how long
16 to hold a license. I don't know if it's a rule, a law,
17 a policy -- whatever -- you always have the confusion
18 when to start the six-month hold. Whenever the hold
19 period is, is the difference of interpretation on when
20 you start the hold.

21 CHAIR PARKS: That's allowing change.
22 But I'm certainly -- I certainly have no argument with
23 it. And I don't think any of us do, really.

24 MEMBER NEAL: No.

25 CHAIR PARKS: Beth, you got that?

1 MS. TARTER: I know it says that.

2 CHAIR PARKS: It probably just may -- or
3 change it.

4 MS. TARTER: It's Section 2 or Subpart 2,
5 Page 24. Any person or corporation engaging or offering
6 contracts without a license is ineligible for such
7 license until six months after the violation has
8 occurred. So it doesn't say "shall" hold or "must"
9 hold.

10 CHAIR PARKS: Subject of a hold of up to
11 six months, you know.

12 MEMBER NEAL: The thing that helps a
13 little bit is that after a determination by the Board,
14 that's when we find out about it, but a lot of times we
15 don't find out about it until the day of the meeting.

16 CHAIR PARKS: Right.

17 MEMBER HUNT: We have flexibility.
18 Because up to six months, then it doesn't matter when
19 you start.

20 CHAIR PARKS: Anything else?

21 (Pause)

22 CHAIR PARKS: I don't know that we need a
23 motion on any of these things. Do we.

24 MS. TARTER: These are just things --
25 hopefully, statutory changes.

1 MR. HUNT: Note that the Board is --

2 CHAIR PARKS: The Board, you know, was
3 unanimous in its discussion and decision.

4 Tab 11 is Public Education Campaign.
5 Carolyn, you said you know something.

6 MS. LAZENBY: The Department has hired a
7 new lady, Susan Lockheart, and she's really good. She
8 sees that things get done. This is her poster that
9 we've had printed and given to every co-official to put
10 in their office. And we've got her brochures updated.

11 And she wasn't able to come today. She
12 will either come to the Board's next meeting or to the
13 one in Nashville in November to talk to you-all about
14 maybe accomplishing a grant -- like a scholarship -- and
15 willing to see if that's something you-all would be open
16 to.

17 CHAIR PARKS: Okay. Travel budget is
18 behind Tab 13. Is that for information, or are we
19 supposed to adopt or approve it?

20 MS. LAZENBY: Adopt.

21 MEMBER SMITH: What was it last year?

22 MS. LAZENBY: I believe it was \$31,000
23 last year.

24 MEMBER SMITH: It's \$45,000 this year?

25 MS. LAZENBY: Yes. Gas prices have gone

1 up.

2 CHAIR PARKS: Yes, they have. Does that
3 mean the State's increasing what they're paying us to
4 drive here? Probably not.

5 May I have a motion to approve the travel
6 budget from behind Tab 12, please?

7 MEMBER HUNT: Second.

8 CHAIR PARKS: Discussions or questions?

9 MS. LAZENBY: Anyone want to attend the
10 conference?

11 CHAIR PARKS: All in favor, say aye.

12 BOARD MEMBERS: Aye.

13 CHAIR PARKS: The conference she's
14 talking about is mentioned on the back of that page.
15 And it's in Alabama, September 14th through 17th. I had
16 said I'd consider it, but I've got conflict now, so --

17 MS. LAZENBY: I, typically, think they'll
18 let us turn in two board members and an attorney to go.

19 CHAIR PARKS: Well, while people are
20 considering that we have -- currently the November
21 meeting is scheduled for two of the three days of
22 Thanksgiving week. We talked at lunch about what the
23 law really said about when we had to meet. And the law
24 said we have to meet six times a year. It no longer
25 mentions the months. So it is my recommendation we go

1 to the first week of December, Tuesday/Wednesday or
2 Wednesday/Thursday of that week and see what you can --
3 does anybody have any problem with that?

4 MEMBER NEAL: We're going to meet in
5 Nashville?

6 CHAIR PARKS: It'll be in Nashville.
7 Yes.

8 MEMBER SANDRELL: No.

9 CHAIR PARKS: Okay. Anything else coming
10 before the board?

11 (Pause)

12 CHAIR PARKS: Can I have a motion for
13 adjournment?

14 MEMBER NEAL: So moved.

15 CHAIR PARKS: Any objections?

16 (Pause)

17 CHAIR PARKS: I didn't think so.

18 (End of the proceedings.)

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1 REPORTER'S CERTIFICATE

2 STATE OF TENNESSEE)
3 COUNTY OF MONTGOMERY)

4 I, Tracy Foley-Wilkes, court reporter and
5 notary public for the State of Tennessee,

6 DO HEREBY CERTIFY that the foregoing
7 transcript of the proceedings were taken on the date and
8 place set forth in the caption thereof; that the
9 proceedings were stenographically reported by me; and
10 that the foregoing proceedings constitute a true and
11 correct transcript of said proceedings.

12 I FURTHER CERTIFY that I am not related
13 to any of the parties named herein, nor their counsel,
14 and have no interest, financial or otherwise, in the
15 outcome of events of this action.

16 IN WITNESS WHEREOF, I have hereunto
17 affixed my official signature and seal of office this
18 the 12th day of September, 2008.

19

20

21 Tracy Foley, Notary Public
22 State of Tennessee

23 My Commission Expires: May 21, 2011.

24

25